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21 UNITED STATES BANKRUPTCY COURT
22 FOR THE DISTRICT OF NEVADA
23

24 In re:

25 MATHESON FLIGHT EXTENDERS,
26 INC.,
27 Debtor.

Case No. BK-N-15-50541-BTB
Chapter 11 Case

**SECOND AMENDED CHAPTER 11 PLAN
OF REORGANIZATION**

Hearing Date: December 16, 2015
Hearing Time: 2:00 p.m.

Debtor and Debtor-in-Possession Matheson Flight Extenders, Inc. ("Debtor" or "MFEI") and co-proponent Matheson Trucking, Inc. ("Trucking" and, along with the Debtor, the "Plan Proponents") submit this Plan of Reorganization ("Plan") pursuant to Section 1121(a) of the Bankruptcy Code for the resolution of the outstanding claims of the Creditors and Equity Security Holders of the Debtor. All parties-in-interest should refer to the Disclosure Statement for a discussion of the Debtor's and Trucking's history, assets, and for a summary and analysis of this Plan and certain related matters.

Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, and those restrictions on modification set forth herein, the Plan Proponents expressly reserve the right to alter, amend, strike, withdraw or modify this Plan one or more times before its substantial consummation.

1. DEFINITIONS, RULES OF INTERPRETATION

1.1 Definitions.

For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed in this Section 1. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, in that order of priority. Whenever the context requires, such terms shall include the plural as well as the singular, the masculine gender shall include the feminine, and the feminine gender shall include the masculine. As used in this Plan, the following terms shall have the meanings specified below.

A. Administrative Claim. A Claim for any cost or expense of administration of the Chapter 11 Case allowed under Sections 507(b) or 546(c) of the Bankruptcy Code and entitled to priority under Section 507(a)(1) of the Bankruptcy Code, including, but not limited to (i) fees payable pursuant to Section 1930 of Title 28 of the United States Code; (ii) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate, including wages, salaries or commissions for services rendered after the commencement of the Chapter 11 case; and (iii) all professional fees approved by the Bankruptcy Court pursuant to interim and

1 final allowances. To the extent that a Claim is allowed as an Administrative Claim pursuant to
 2 Section 365(d)(3) of the Bankruptcy Code, such Claim shall also be deemed an Administrative
 3 Claim under this paragraph.

4 **B. Administrative Claim Bar Date.** Forty-five days after the Effective Date.

5 **C. Allowed Claim.** Any claim, or any portion thereof, against Debtor (except for an
 6 Unclassified Claim): (i) as to which a proof of claim has been filed with the Court within the
 7 time fixed by the Court or, if such claim arises from the Debtor's rejection of an unexpired lease
 8 or other executory contract, within thirty (30) days after the Effective Date of the Plan, or (ii)
 9 which is scheduled as of the Confirmation Date of the Plan in the schedules filed by the Debtor
 10 or amended by the Debtor as of said date, and is liquidated in amount and undisputed; and in
 11 either of the above events, as to which no objection to allowance of such claim or request for
 12 subordination thereof has been filed within any applicable time period fixed by the Court or as to
 13 which an order allowing such claim and establishing its priority has become final and non-
 14 appealable. To the extent any Litigation Claim is not otherwise resolved in this Plan or is
 15 otherwise dismissed for failure of the Creditor to timely file a proof of claim, any Litigation
 16 Claim against the Debtor will be an Allowed Claim upon entry of a final determination after
 17 post-judgment proceedings and appellate rights are exhausted.

18 **D. Bankruptcy Case.** The pending Chapter 11 case entitled In re: Matheson Flight
 19 Extenders, Inc., Case No. BK-N-15-50541-BTB.

20 **E. Bankruptcy Code.** The Bankruptcy Code of 1978, as codified in Title 11 of the
 21 United States Bankruptcy Code by Public Law 95-598, including all amendments thereof and
 22 thereto applicable to the Bankruptcy Case.

23 **F. Bankruptcy Court.** The United States Bankruptcy Court for the District of
 24 Nevada, Reno, or such other court as has jurisdiction of the Bankruptcy Case.

25 **G. Bankruptcy Rules.** Collectively, the Federal Rules of Bankruptcy Procedure and
 26 the Local Rules of the Bankruptcy Court as applicable to the Chapter 11 Case.

27 **H. Bar Date.** August 17, 2015, the date established by the Notice of
 28 Commencement of Case for the filing of proofs of Claim by Creditors and October 16, 2015, the

1 date established by the Notice of Commencement of Case for the filing of proofs of claims by
2 certain governmental creditors.

3 **I. Claim.** Any right to payment, whether or not such right is reduced to judgment,
4 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
5 equitable, secured or unsecured; or any right to an equitable remedy for breach of performance,
6 if such breach gives rise to a right to payment, whether or not such right to an equitable remedy
7 is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or
8 unsecured.

9 **J. Colorado Litigation.** Camara, et al. v. Matheson Flight Extenders, Inc., et al.,
10 filed in the United States District Court for the District of Colorado, Civil Action No.: 12-CV-
11 03040-CMA-CBS.

12 **K. Confirmation Date.** The date upon which an order is entered in the Bankruptcy
13 Case confirming the Plan, including amendments thereto.

14 **L. Confirmation Hearing.** The duly noticed initial hearing held by the Bankruptcy
15 Court to confirm this Plan pursuant to Sections 1128 and 1129 of the Bankruptcy Code, and any
16 subsequent hearing held by the Bankruptcy Court from time to time to which the initial hearing
17 is adjourned without further notice other than the announcement of the adjourned dates at the
18 Confirmation Hearing.

19 **M. Confirmation Order.** The order entered by the Bankruptcy Court
20 confirming this Plan.

21 **N. Creditor.** Any holder of a Claim, whether or not such Claim is an Allowed
22 Claim.

23 **O. Debtor.** Matheson Flight Extenders, Inc., a California corporation.

24 **P. Default Under the Plan.** If the Debtor fails to make any payment when due
25 under this Plan and that payment is not cured within one month thereafter, a Default Under the
26 Plan will exist.

27 **Q. Disclosure Statement.** The written disclosure statement that relates to this Plan,
28 as conditionally approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy

1 Code and Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or
2 supplemented from time to time.

3 **R. Disputed Claim.** A Claim that is (i) subject to timely objection interposed by the
4 Debtor or any party-in-interest entitled to file and prosecute such objection in this Chapter 11
5 case, if at such time the objection remains unresolved; (ii) listed by the Debtor as disputed
6 unliquidated or contingent in the Bankruptcy Schedules; or (iii) if no objection has been timely
7 filed, a Claim which has been asserted in a timely filed proof of claim in an amount greater than
8 or in a Class different than that listed by the Debtor in the Bankruptcy Schedules as Liquidated in
9 amount and not disputed or contingent; provided, however, that the Bankruptcy Court may
10 estimate a Disputed Claim for purposes of allowance pursuant to Section 502(c) of the
11 Bankruptcy Code. The term "Disputed", when used to modify a reference in this Plan to any
12 Claim or Class of Claims shall mean a Claim that is a Disputed Claim as defined herein. In the
13 event there is a dispute as to classification or priority of a Claim, it shall be considered a
14 Disputed Claim in its entirety. Until such time as a Disputed Claim becomes fixed and absolute,
15 such Claim shall be treated as a Disputed Claim and not an Allowed Claim for purposes related
16 to allocations and distributions under this Plan. A Disputed Claim includes each Litigation
17 Claim, including without limitation any Claim of any plaintiff in Henry v. Matheson Flight
18 Extenders, Inc., Case No. 15AC-CC0082 (Circuit County Court, Cole County, MO, class action
19 Fair Credit Reporting Act lawsuit), and the claim, if any, of Kristi Blowers in an EEOC
20 employment discrimination proceeding.

21 **S. Disputed Claim Reserve.** The Reserves established to hold in one or more
22 accounts of cash equal to the aggregate amount thereof as provided for in this Plan that would
23 have been distributed on a Distribution Date on account of a Disputed Claim or as otherwise
24 established by Final Order.

25 **T. Distribution.** Any Distribution by the Debtor or the Reorganized Debtor to the
26 holders of Allowed Unclassified Claims, Allowed Priority Claims and Allowed Claims in
27 accordance with the terms of this Plan.

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1 **U. Distribution Date.** Each of: (a) the date on which the Debtor makes a
 2 Distribution pursuant to any order entered by the Bankruptcy Court to Allowed Unclassified
 3 Claims, Allowed Priority Claims or Allowed Claims; (b) the date that is the first day of the third
 4 month following the First Distribution Date on which the Reorganized Debtor will make
 5 Distributions to holders of Allowed Claims in Class 4 and Class 5, and each successive first day
 6 of the third month thereafter until the Allowed Claims in Class 4 and Class 5 are paid in
 7 accordance with this Plan.

8 **V. Effective Date.** The first business day which is five days after the Confirmation
 9 Order becomes a Final Order.

10 **W. Effective Date Payment.** The payment made by the Reorganized Debtor to
 11 each Stipulating Judgment Creditor as defined in the Settlement Agreement in the amount of
 12 \$142,857, and the payment made by the Reorganized Debtor to each individual holder of an
 13 Allowed Claim in Class 4 on the Effective Date in the amount of fourteen (14) percent of the
 14 total amount of each such respective Claim, and the payment made to any counterparty to
 15 effectuate a cure of an executory contract or unexpired lease of real property that is assumed.

16 **X. Equity Security.** Any equity security in the Debtor as the term is defined in
 17 Section 101(16) of the Bankruptcy Code, which states “(A) share in a corporation, whether or
 18 not transferable or denominated ‘stock’, or similar security; (b) interest of a limited partners in a
 19 limited partnership; or (C) warrant or right, other than a right to convert, to purchase, sell, or
 20 subscribe to a share, security, or interest of a kind specified in subparagraph (A) or (B) of this
 21 paragraph.”

22 **Y. Equity Security Holder.** The holder of an Equity Security of the Debtor. For
 23 purposes of this Plan, Joe Garrett, Inc. is the shareholder of the Debtor. Trucking is the parent of
 24 Joe Garrett, Inc., the indirect shareholder of the Debtor and a Plan Proponent.

25 **Z. Federal Judgment Rate.** The rate of interest on judgments as provided for by 28
 26 U.S.C. §1961 as of the Petition Date.

27 **AA. Final Order.** An order, judgment or other decree of the Bankruptcy Court which
 28 has been appealed but which has not been vacated, reversed, modified or amended or stayed, or

1 for which the time to appeal or seek review or rehearing has expired with no appeal having been
2 filed.

3 **BB. First Distribution Date.** April 1, 2016, the date on which the Reorganized
4 Debtor will make a Distribution on the Allowed Claims in Class 4 and Class 5.

5 **CC. Litigation Claim.** All rights, claims, torts, liens, liabilities, obligations, action,
6 causes of action, avoidance actions, derivative actions, proceedings, debts, contracts, judgments,
7 damages and demands whatsoever in law or in equity, whether known or unknown, contingent or
8 otherwise, that Debtor or the Estate may have against any person, or that any person may have
9 against the Debtor or the Estate. Failure to list a Litigation Claim herein or in the Disclosure
10 Statement shall not constitute a waiver or release by the Debtor or the Reorganized Debtor.

11 **DD. Matheson Trucking, Inc.** The parent corporation of Joe Garrett, Inc., the
12 indirect parent of MFEI and a Plan Proponent and sometimes referred to as a "Plan Proponent"
13 or as "Trucking".

14 **EE. Net Operating Income.** The cash generated from operations of the Reorganized
15 Debtor, minus Operating Costs and Operating Reserves. "Net Operating Income" is sometimes
16 referred to as "Cash from Operations" in the Debtor's cash projections.

17 **FF. New Value Contribution.** The amount of \$1,300,000 contributed by Trucking
18 to the Plan as an appropriate contribution pursuant to 11 U.S.C. §1129(b)(2)(B).

19 **GG. Operating Costs.** All costs associated with the operation, maintenance and
20 management of the Reorganized Debtor.

21 **HH. Operating Reserves.** The amount of cash determined in good faith by the
22 Debtor or the Reorganized Debtor as appropriate, from time to time, to be reserved and
23 maintained in order to pay all reasonably anticipated Operating Costs of the Reorganized Debtor
24 for up to a two month period of time.

25 **II. Petition Filing Date.** April 19, 2015, the date on which Debtor filed its voluntary
26 petition commencing the Bankruptcy Case.

27 **JJ. Plan.** This Plan of Reorganization, together with any amendments or
28 modifications thereto as may be hereafter filed by the Plan Proponents.

1 **KK. Reorganized Debtor.** The entity known as Matheson Flight Extenders, Inc., a
2 California corporation, created upon entry of the Confirmation Order.

3 **LL. Secured Claim.** A Claim that is secured by a Lien against property of the Estate
4 to the extent of the value of any interest in such property of the Estate securing such Claim or to
5 the extent of the amount of such Claim subject to setoff in accordance with Section 553 of the
6 Bankruptcy Code, in either case as determined pursuant to Section 506(a) of the Bankruptcy
7 Code.

8 **MM. Settlement Agreement.** The document entitled Offer of Matheson Trucking, Inc.
9 and Matheson Flight Extenders, Inc. to Mahamet Camara, Andre De Oliveira, Bemba Diallo,
10 Salif Diallo, Macire Diarra, Ernie Duke, and Dean Patricelli, that was accepted by Mahamet
11 Camara, Andre De Oliveira, Ernie Duke and Dean Patricelli, on the one hand, and Trucking and
12 the Debtor, on the other hand, on November 13, 2015, and that was accepted by Bemba Diallo,
13 Salif Diallo and Macire Diarra, on the one hand, and Trucking and the Debtor, on the other hand,
14 on November 18, 2015.

15 **NN. Settling Plaintiffs.** The four plaintiffs in the Colorado Litigation, Moussa
16 Dembele, Mohamed Kaba, Cresencio Sanchez and Ernest Williams, who entered into separate
17 contracts with the Debtor and Matheson Trucking prepetition for the settlement and release of
18 their claims in the Colorado Litigation and which contracts were not in default on the Petition
19 Date and are not currently in default.

20 **OO. Stipulating Judgment Creditors.** The seven plaintiffs in the Colorado Litigation
21 who did not settle with the Debtor and Trucking prepetition, namely, Andre De Oliveira, Bemba
22 Diallo, Dean Patricelli, Ernie Duke, Macire Diarra, Mahamet Camara and Salif Diallo and who
23 have entered into the Settlement Agreement with the Debtor and Trucking to fully, completely
24 and finally resolve their respective Proofs of Claim filed in this Bankruptcy Case and to fully,
25 completely and finally resolve and dismiss the Colorado Litigation.

26 **1.2 Computation of Time.** In computing any period of time prescribed or allowed
27 by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a)
28 shall apply.

1 **1.3 Rules of Interpretation.** For purposes of this Plan only (i) any reference in
 2 this Plan to a contract, instrument, release, or other agreement or documents being in particular
 3 form or on particular terms and conditions means that such document shall be substantially in
 4 such form or substantially on such terms and conditions; (ii) any reference in this Plan to an
 5 existing document or exhibit filed or to be filed means such document or exhibit as it may have
 6 been or may be amended, modified, or supplemented; (iii) unless otherwise specified, all
 7 references in this Plan to Sections, Articles, schedules and exhibits are references to Sections,
 8 Articles, schedules or exhibits of or to this Plan; (iv) the words "herein," "hereof," hereto," and
 9 "hereunder" refer to this Plan in its entirety rather than to a particular portion of this Plan; (v)
 10 captions and headings to Articles and Sections are inserted for convenience of reference only and
 11 are not intended to be a part of or to affect the interpretation of this Plan; and (vi) the rules of
 12 constructions and definitions set forth in Sections 101 and 102 of the Bankruptcy Code and in the
 13 Bankruptcy Rules shall apply unless otherwise expressly provided.

14 **2. TREATMENT OF UNCLASSIFIED CLAIMS**

15 Pursuant to Section 1123(a)(1) of the Bankruptcy Code, Unclassified Claims against the
 16 Debtor are not designated as Classes and the holders of such claims are not entitled to vote on
 17 this Plan. The treatment of Unclassified Claims is consistent with the requirements of Section
 18 1129(a)(9)(A) of the Bankruptcy Code.

19 **2.1 Administrative Claims.**

20 Administrative Claims that have been allowed by final order of the Bankruptcy Court
 21 will be paid on the Effective Date or, if not Allowed by the Effective Date, then at such time as
 22 the administrative claimant and the Debtor agree. Except as provided herein, Administrative
 23 Claims that are allowed will be paid from the Reorganized Debtor's Net Operating Income.

24 Unless provided for payment in this Plan, all requests for payment of Administrative
 25 Claims against Debtor must be filed by the Administrative Claims Bar Date or the holders
 26 thereof shall be forever barred from asserting such Administrative Claims against the Plan
 27 Proponents and the Reorganized Debtor. Requests for Administrative Claims may be amended
 28 to include any fees and costs incurred after the Effective Date. Because the Official Committee

1 of Unsecured Creditors will be dissolved no later than the Effective Date, the Plan Proponents
 2 anticipate that requests for Administrative Claims on behalf of its professionals incurred after
 3 the Effective Date will be limited to any fees and costs incurred in seeking final awards
 4 authorizing payment of fees and costs.

5 The Administrative Claims that the Plan Proponents seek approval of in this Plan and that
 6 they propose to pay from the Reorganized Debtor's Net Operating Income on the Effective Date
 7 are as follows:

8 Allowed professional fees to Hartman & Hartman, Ltd.; Lee & High, Ltd., Campbell
 9 Litigation, Davis Graham & Stubbs, LLP, Pacific Capital Transactions, McDonald Carano
 10 Wilson and Henry & Horne, LLP.

11 **2.2 Priority Claims.**

12 All Priority Claims of any kind specified in Sections 507(a)(1) through (a)(10) are not
 13 classified and are excluded from the following classes in accordance with Section 1123(a)(1) of
 14 the Bankruptcy Code. All Priority tax claims, if any, will be paid by the Reorganized Debtor (a)
 15 on the Distribution Date; (b) such other time as is agreed to by the holder of such Claim and the
 16 Debtor and the holder of such Claim prior to the Effective Date or the Reorganized Debtor and
 17 the holder of such Claim after the Effective Date; or (c) regular payments in case of a total value,
 18 as of the Effective Date of the Plan, equal to the allowed amount of such claim, over a period
 19 ending not later than 5 years after the Petition Date and in a manner not less favorable than the
 20 most favored nonpriority unsecured Claim provided by this Plan.

21 The Priority Claims that have been filed are as follows:

22 Franchise Tax Board, \$882.02

23 City and County of Denver, \$5,569.50

24 The Debtor believes that these Priority Claims are either not owed or are not yet due.
 25 The Debtor will attempt to resolve these Priority Claims with the respective creditor and, to the
 26 extent any amounts are due, will either pay those amounts on the Effective Date or, if the Debtor
 27 has not been able to resolve the matter by that date, will reserve the funds necessary to satisfy the
 28 Claim and will pay it when the Claim has been resolved.

1 **2.3 Fees to Office of the United States Trustee.**

2 All fees required to be paid to the United States Trustee will be paid in full upon
3 confirmation of the Plan, and shall remain current until the case is fully administered or closed,
4 whichever occurs first.

5 **3. CLASSIFICATION OF CLAIMS AND INTERESTS**

6 Pursuant to Section 1123(a)(1) of the Bankruptcy Code, all Claims against the Debtor,
7 except Unclassified Claims, are placed in the following classifications as set forth below. The
8 holders of Claims in Classes of Claims 4 and 5 are impaired and are entitled to vote on the Plan.
9 The Class of Equity Security Interests is not impaired and is not entitled to vote.

10 **Class 1:** Secured Claim of United States Postal Service, to the extent the Claim is a
11 Secured Claim, for offset in the amount of \$457,663.96.

12 **Class 2:** Administrative Convenience Allowed Claims of Unsecured Creditors
13 owed individually less than \$13,500.00.

14 **Class 3:** Allowed Claims of Settling Plaintiffs.

15 **Class 4:** Allowed Claims of Unsecured Creditors individually owed more than
16 \$13,500.00 and not entitled to priority under Section 507 of the Bankruptcy Code and not
17 otherwise included in any other class hereof, including, without limitation, claims which may
18 arise out of the rejection of executory contracts or unexpired leases.

19 **Class 5:** Allowed Claims of the Stipulating Judgment Creditors.

20 **Class 6:** Claim of Wells Fargo Bank, NA.

21 **Class 7:** The claims and interests of the Equity Security Holders of the Debtor.

22 **4. TREATMENT OF CLAIMS AND INTERESTS**

23 Classes of Claims and Interests shall be treated as set forth herein below.

24 **4.1. Class 1** – The Secured Claim of the United States Postal Service will be paid in
25 full on the Effective Date from the funds the United States Postal Service is holding to offset a
26 debt owed by the Debtor in the amount of \$457,663.96 in full satisfaction of the Claim of the
27 United States Postal Service for \$457,663.96. Class 1 is not impaired and not entitled to vote.

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1 **4.2 Class 2 – Administrative Convenience Allowed Claims of Unsecured Creditors**
 2 owed less than \$13,500.00. Plan Proponents propose to pay the Allowed Claims of Class 2
 3 Creditors in full on the Effective Date. Class 2 Creditors are unimpaired and are not entitled to
 4 vote.

5 **4.3 Class 3 – Allowed Claims of Settling Plaintiffs** will receive Distributions from the
 6 Net Operating Income of the Reorganized Debtor in accordance with the terms of the respective
 7 pre-petition contract between the Debtor and Trucking, on the one hand, and each respective
 8 Settling Plaintiff, on the other hand. Class 3 Creditors are unimpaired and are not entitled to
 9 vote.

10 **4.4 Class 4 – Allowed Claims of Unsecured Creditors** individually owed more than
 11 \$13,500 will be paid 100 percent of their Allowed Claims plus interest at the Federal Judgment
 12 Rate, with an Initial Payment of 14 percent of each Allowed Claim on the Effective Date, and the
 13 balance of each Allowed Claim over eight years in quarterly installments. At the entire
 14 discretion of the Reorganized Debtor, the Reorganized Debtor may prepay any Minimum
 15 Distribution on Allowed Claims in Class 4 entirely at the discretion of the Reorganized Debtor
 16 from Net Operating Income. Discretionary payments from Net Operating Income, if any, will be
 17 made proportionately to every holder of an Allowed Claim in Class 4.

18 **4.5 Class 5 – In full satisfaction of the Proof of Claim** each Stipulating Judgment
 19 Creditor filed herein, the Stipulating Judgment Creditors will be paid in accordance with the
 20 Settlement Agreement as follows: to each Stipulating Judgment Creditor, Trucking has made the
 21 Initial Payment as defined in the Settlement Agreement in the amount of \$185,714; on the
 22 Effective Date, the Reorganized Debtor will pay to each Stipulating Judgment Creditor the
 23 amount of \$142,857 as the Effective Date Payment; and the Reorganized Debtor will pay the
 24 sum of \$714,286 in 32 equal quarterly payments with the first quarterly payment to commence
 25 April 1, 2016. The amount awarded to each Stipulating Judgment Creditor as back pay in the
 26 Colorado Judgment shall be paid to that Stipulating Judgment Creditor as wages (i.e., subject to
 27 withholdings and reported on an IRS form W-2); the remainder of the payments to each
 28 Stipulating Judgment Creditor shall be paid in gross, reported on IRS form 1099s, and allocated

1 between payments to the Stipulating Judgment Creditor and his counsel as directed in advance
 2 by counsel; and any payment due to a Stipulating Judgment Creditor will be made by check
 3 made payable to the Stipulating Judgment Creditor and delivered to the Stipulating Judgment
 4 Creditor in care of his counsel.

5 **4.6. Class 6** –Wells Fargo Bank, NA will retain its guaranty against the Debtor and
 6 will be entitled to enforce it in the event of a material default on the terms of the Forbearance
 7 Agreement and Credit Agreement. The Class 6 Creditor is unimpaired and is not entitled to vote.

8 **4.7 Class 7** – Equity Security Holders will retain their interests in the Reorganized
 9 Debtor. Equity Security Interests are unimpaired and the holders of Equity Security Interests are
 10 conclusively deemed to have accepted the Plan pursuant to §1126(f) of the Bankruptcy Code.
 11 Therefore, the holders of Equity Security Interests are not entitled to vote to accept or reject the
 12 Plan.

13 **5. MEANS TO EFFECTUATE THE PLAN**

14 **5.0 Means to Effectuate Plan.** The Plan Proponents intend to effectuate the Plan in
 15 one of two alternative means, as follows:

16 This Plan provides that the Debtor will continue to exist on and after the Effective
 17 Date as the Reorganized Debtor. The Plan will be implemented as follows:

18 **5.0.1** The Debtor will, as the Reorganized Debtor, continue to exist after the
 19 Effective Date, with all the corporate powers under applicable law and without prejudice to any
 20 right to alter or terminate such existence (whether by merger, dissolution or otherwise) under
 21 applicable state law, and the Debtor may enter into and consummate one or more corporate
 22 restructuring transactions, including, but not limited to, changing the business or corporate form
 23 of the Debtor. Except as otherwise provided herein, after the Effective Date Payment is made,
 24 all property of the Estate of the Debtor, and any property acquired by the Debtor or Reorganized
 25 Debtor under the Plan, will vest in the Reorganized Debtor, free and clear of all Claims, liens,
 26 charges, other encumbrances and interests, other than those otherwise expressly provided for
 27 pursuant to the Plan. On and after the Effective Date, the Reorganized Debtor may operate its
 28 business and may use, acquire and dispose of property and compromise or settle any Claims

1 without supervision or approval by the Bankruptcy Court and free of any restrictions of the
 2 Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the
 3 Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor may
 4 pay the charges that it incurs on or after the Effective Date for Professionals' fees,
 5 disbursements, expenses or related support services (including fees relating to the preparation of
 6 Professional fee applications) without application to the Bankruptcy Court. To the extent the
 7 Reorganized Debtor has Net Operating Income, the Reorganized Debtor will use its Net
 8 Operating Income to meet Effective Date requirements and to make Distributions under the Plan.
 9 Distributions under the Plan will be made from the New Value Contribution and Debtor's Net
 10 Operating Income. The New Value Contribution has been made to the Reorganized Debtor by
 11 Trucking.

12 **5.0.2.** In accordance with Section 1123(b)(3) of the Bankruptcy Code, all
 13 Litigation Claims will be assigned and transferred to the Reorganized Debtor.

14 **5.0.3.** The Reorganized Debtor will continue to prosecute and defend the
 15 Disputed Claims in the court or administrative venue in which each is currently pending,
 16 including any appeals therefrom. To the extent the holders of Disputed Claims did not timely
 17 file Proofs of Claim, the Disputed Claims will be disallowed in their entirety and any pending
 18 Litigation related thereto will be dismissed with prejudice. In addition, the Reorganized Debtor
 19 will continue to prosecute any and all Litigation Claims in the discretion of the Reorganized
 20 Debtor, including obtaining dismissal of any Litigation Claim for which the Creditor did not
 21 timely file a Proof of Claim.

22 **5.0.4** The Settlement Agreement, which is incorporated herein by this reference
 23 as if fully set forth herein, shall be deemed in full force and effect and approved in its entirety.
 24 The Settlement Agreement shall be binding upon the parties thereto, including all successors and
 25 assigns. The Stipulating Judgment Creditors and the Plan Proponents will take all steps
 26 necessary to effectuate all terms of the Settlement Agreement, whether or not set forth in full
 27 herein.

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1 **5.1 Effective Date Events.** On the Effective Date, the following events shall occur:

2 **5.1.1** The Reorganized Debtor will be created as set forth in this Plan and the
3 Confirmation Order.

4 **5.1.2.** Trucking shall be deemed to have made a New Value Contribution to the
5 Debtor.

6 **5.1.3.** Effective Date Payments to Creditors as set forth in this Plan as required
7 to be made on the Effective Date will be made.

8 **5.1.4** The Reorganized Debtor will continue to operate the business of the
9 Debtor.

10 **5.1.5** The Settlement Agreement will be in full force and effect and all of its
11 terms, whether or not set forth herein will be fully enforceable and binding on all parties.

12 **5.1.6** To the extent the Official Committee of Unsecured Creditors has not
13 previously been disbanded, it will be dissolved.

14 **5.2 Procedures for Resolving Disputed Claims**

15 **5.2.1 Prosecution of Objections to Claims**

16 The Bar Date for filing proofs of claim is August 17, 2015 for nongovernmental
17 Creditors and October 16, 2015, for certain governmental creditors. After the Confirmation
18 Date, only the Debtor or the Reorganized Debtor will have the authority to file, settle,
19 compromise, withdraw or litigate to judgment objections to Claims, including pursuant to any
20 alternative dispute resolution or similar procedures approved by the Bankruptcy Court. After the
21 Effective Date, the Reorganized Debtor may settle or compromise any Disputed Claim without
22 approval of the Bankruptcy Court.

23 **5.2.2 Treatment of Disputed Claims**

24 Notwithstanding any other provisions of the Plan, no payments or distributions
25 will be made on account of a Disputed Claims until such Claim becomes an Allowed Claim. Any
26 Disputed Claim for which a proof of claim was not timely filed will be disallowed in its entirety
27 and any Litigation related thereto will be dismissed with prejudice.

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5.2.3 Distributions on Account of Disputed Claims Once Allowed

The Reorganized Debtor will promptly make all distributions on account of any Disputed Claim that has become an Allowed Claim. Such distributions will be made pursuant to the provisions of the Plan governing the applicable Class.

5.2.4 Estimation

The Debtor or the Reorganized Debtor, as the case may be, may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during proceedings concerning any objection to such Claim. If the Bankruptcy Court estimates any Disputed Claim, such estimated amount may constitute either (a) the Allowed amount of such Claim, (b) the amount on which a reserve is to be calculated for purposes of any reserve requirement under the Plan, or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or the Reorganized Debtor, as the case may be, may elect to object to ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

6. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

6.01. Plan Terms Applicable to All Executory Contracts and Unexpired Leases

Except for XL Catlin.

Any executory contract and unexpired lease that (i) has not expired by its own terms on or prior to the Effective Date, (ii) has not been assumed or rejected by the Debtor during the pendency of the Chapter 11 Case, (iii) is not listed in Exhibit H to the Disclosure Statement as executory contracts or unexpired leases to be rejected, and (iv) is not the subject of a pending motion to reject such executory contract or unexpired lease, shall be deemed assumed by the Debtor as of immediately prior to the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such assumption pursuant to section

1 365(a) and 1123 of the Bankruptcy Code. Any executory contract or unexpired lease listed in
 2 Exhibit H to the Disclosure Statement as an executory contract or unexpired lease to be rejected
 3 by the Debtor shall be deemed rejected by the Debtor as of immediately prior to the Effective
 4 Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval
 5 of any such rejection pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

6 Entry of the Confirmation Order shall constitute (i) approval, pursuant to Section 365(a)
 7 of the Bankruptcy Code, of the assumption by the Reorganized Debtor of each executory
 8 contract and unexpired lease listed on Schedule A and each executory contract and unexpired
 9 lease assumed by prior order of the Bankruptcy Court, (ii) approval for the Estate to reject each
 10 executory contract and unexpired lease to which a Debtor is a party and which is not listed on
 11 Schedule A and neither assumed, assumed and assigned nor rejected by separate order prior to
 12 the Effective Date. Upon the Effective Date, each counter party to an executory contract or
 13 unexpired lease listed on Schedule A shall be deemed to have consented to assumption
 14 contemplated by Bankruptcy Code Section 365(c)(1)(B), to the extent such consent is necessary
 15 for such assumption. Any default entitled to monetary cure respecting any assumed executory
 16 contract or unexpired lease shall be paid on the Effective Date.

17 All proofs of claim arising from the rejection (if any) of executory contracts or unexpired
 18 leases must be filed with the Bankruptcy Court by no later than 30 days after the earlier of: (i)
 19 the date of entry of an order of the Bankruptcy Court approving any such rejection and (ii) the
 20 Effective Date. Any Claims arising from the rejection of an executory contract or unexpired
 21 lease for which no proof of claim was timely filed will be forever barred from assertion against
 22 the Debtor or the Reorganized Debtor, its estate and property. All such Claims shall, as of the
 23 Effective Date, be subject to the discharge and permanent injunctions set forth in the Plan.

24 Any monetary amounts by which an executory contract or unexpired lease to be assumed
 25 pursuant to the Plan is in default shall be satisfied pursuant to section 365(b)(1) of the
 26 Bankruptcy Code by payment of the default amount in cash or on such other terms as the parties
 27 to each such executory contract or unexpired lease may otherwise agree. In the event of any
 28 dispute regarding the amount of any cure payments, (a) the Bankruptcy Court will retain

1 jurisdiction to adjudicate any such dispute, and (b) if the Bankruptcy Court determines that any
 2 such disputed cure amount is required to be paid (in full or in part) by the Debtor pursuant to
 3 section 365(b)(1) of the Bankruptcy Code, the Debtor will pay such cure amount in the ordinary
 4 course following entry of the Bankruptcy Court's Final Order resolving such cure dispute,
 5 provided that, the Debtor or Reorganized Debtor shall have the right, following entry of such a
 6 Final Order fixing a cure amount (if any) to reject the applicable executory contract or unexpired
 7 lease and any such rejection shall be deemed to have occurred immediately prior to the Effective
 8 Date.

9 6.02. Plan Terms Applicable to XL Catlin.

10 Greenwich Insurance Company and XL Specialty Insurance Company (collectively, "XL
 11 Catlin"), filed a secured claim in an undetermined amount arising out of unpaid premium
 12 payments and other amounts due under certain insurance policies and non-policy agreements
 13 issued by XL Catlin to Trucking, on its own behalf and on behalf of the Debtor, and/or entered
 14 into between XL Catlin and Trucking, on its own behalf and on behalf of the Debtor, prior to the
 15 Petition Date.

16 Prior to the Petition Date, XL Catlin issued certain insurance policies (collectively, with
 17 the "Aviation Policy" referred to below, the "Policies") to Trucking, on its own behalf and on
 18 behalf of the Debtor: (i) a Commercial General Liability Policy No. RGD9435053, having a
 19 policy period March 1, 2015 through March 1, 2016; (ii) an Automobile Liability Policy No.
 20 RAD500195, having a policy period March 1, 2015 through March 1, 2016; (iii) an Automobile
 21 Liability Policy No. RAD 9435052, having a policy period March 1, 2015 through March 1,
 22 2016; and (v) a Workers Compensation Policy No. RWD9435054, having a policy period March
 23 1, 2015 through March 1, 2016. Also prior to the Petition Date, XL Catlin issued an Aviation
 24 Policy No. UA00010968AV15A, having a policy period March 1, 2015 through March 1, 2016
 25 (the "Aviation Policy") to the Debtor.

26 Also prior to the Petition date, XL Catlin and Trucking, on its own behalf and on behalf
 27 of the Debtor, entered into an Insurance Program Agreement (the "Insurance Program
 28 Agreement") and a series of Plan Specification agreements (the "Plan Specifications" and, with

1 the Insurance Program Agreement, the "Non-Policy Agreements"). The Non-Policy Agreements
 2 establish and provide for, among other things, the payments the insureds are required to pay to
 3 XL Catlin (the "Obligations"), XL Catlin's right of offset, the security for the insureds
 4 Obligations that the insureds are required to deliver to XL Catlin (the "Collateral"), events of
 5 default and XL Catlin's rights in the event of default, including XL Catlin's use of the Collateral,
 6 the insureds' obligation to indemnify XL Catlin, and the parties' agreement with respect to
 7 arbitration.

8 Pursuant to the Non-Policy Agreements, Trucking, on its own behalf and on behalf of the
 9 Debtor, originally provided XL Catlin with a clean, unconditional and irrevocable letter of credit
 10 (the "Letter of Credit") in the amount of \$2,500,000. For the policy period March 1, 2015
 11 through March 1, 2016, the amount of the Letter of Credit has been increased to \$6,340,000. XL
 12 Catlin has not drawn on the Letter of Credit.

13 As of the Petition Date, XL Catlin has a claim against the Debtor in an undetermined
 14 amount because, while all basic Premium has been paid as of that date, certain of the Policies
 15 have a retrospective premium feature, pursuant to which Incurred Losses are used to calculate
 16 and adjust the final Premium due. Accordingly, the amount of the Premium due in connection
 17 with the Policies will not be known until the relevant policy periods have expired and the
 18 necessary audits have been conducted.

19 All of the insureds' Obligations to XL Catlin are secured by XL Catlin's right of setoff,
 20 as provided under the Non-Policy Agreement and under other non-bankruptcy law. In addition,
 21 all of the insureds' Obligations to XL Catlin are secured by a security interest in the Collateral,
 22 the proceeds of the Collateral and any return premiums or other amounts that may be payable to
 23 the insureds by XL Catlin. XL Catlin's claim is secured by a credit in the amount of \$21,104.04
 24 owed by XL Catlin to the insureds in connection with a prior year's Workers Compensation
 25 policy. In addition, in the event XL Catlin draws on the Letter of Credit, XL Catlin's Claim also
 26 is secured by the proceeds of the Letter of Credit. Notwithstanding anything to the contrary in
 27 the Disclosure Statement, the Plan, the Confirmation Order, any other document related to any of
 28 the foregoing or any other order of the Bankruptcy Court (including, without limitation, any

1 other provision that purports to be preemptory or supervening or grants an injunction or release,
 2 including, but not limited to, the injunctions set forth in Section 7.7 and 7.8 of the Plan):

3 (a) on the Effective Date, the Reorganized Debtor shall assume all the Policies, as
 4 amended or modified, issued at any time to the Debtor, its affiliates or predecessors, and all
 5 agreements related thereto, as amended or modified (collectively, the "Insurance Contracts");

6 (b) nothing in the Disclosure Statement, the Plan, the Confirmation Order, any other
 7 document related to any of the foregoing or any other order of the Bankruptcy Court alters,
 8 modifies or otherwise amends the terms and conditions of or the coverage provided by any of the
 9 Insurance Contracts, except that as of the Effective Date the Reorganized Debtor shall become
 10 and remain liable for all of the Debtor's obligations and liabilities thereunder regardless of
 11 whether such obligations and liabilities arise before or after the Effective Date; *provided*,
 12 *however* that the Debtor or Reorganized Debtor, as applicable, shall retain the right to challenge
 13 any amounts owed under the Insurance Contracts in accordance with their terms, and the rights
 14 and obligations of the parties under the Insurance Contracts, whether or not such Insurance
 15 Contracts are executory or were in effect before or after the Petition Date, shall remain fully
 16 enforceable by the parties after the Effective Date;

17 (c) nothing in the Disclosure Statement, the Plan, the Confirmation Order, any other
 18 document related to any of the foregoing or any other order of the Bankruptcy Court, including
 19 without limitation any prepetition or administrative claim bar date order or claim objection order
 20 alters or modifies the duties, if any, that the insurers and/or third party administrators have to pay
 21 claims covered by the Insurance Contracts or the insurers' and/or third party administrators'
 22 rights to seek payment or reimbursement from the Debtor or, after the Effective Date, the
 23 Reorganized Debtor or to draw on any collateral or security therefor in accordance with the
 24 terms of the Insurance Contracts;

25 (d) insurers and third party administrators shall not need to nor be required to file or serve
 26 an objection to any proposed Cure Amount, or a request, application, claim, proof of claim or
 27 motion for payment of any prepetition or administrative claim, and shall not be subject to the any
 28 claim bar date or similar deadline governing Cure Amounts or prepetition or administrative

1 claims; and

2 (e) the automatic stay of section 362(a) of Bankruptcy Code and the injunctions set forth
 3 in Section 7.7 and Section 7.8 of the Plan, if and to the extent applicable, shall be deemed lifted
 4 without further order of the Bankruptcy Court solely to permit: (i) claimants with valid claims
 5 covered by any of the Insurance Contracts ("Insured Claims") to proceed with their Insured
 6 Claims; (ii) insurers and/or third party administrators to administer, handle, defend, settle, and/or
 7 pay, in the ordinary course of business and subject to the terms of the Insurance Contracts,
 8 without further order of the Bankruptcy Court, all Insured Claims and all costs in relation
 9 thereto; (iii) insurers and/or third party administrators to draw against any or all of any collateral
 10 or security provided by or on behalf of the Debtor or the Reorganized Debtor, as applicable, at
 11 any time and to hold the proceeds thereof as security for the obligations of the Debtor or the
 12 Reorganized Debtor, as applicable, to the applicable insurers and/or third party administrators
 13 and/or to apply such proceeds to the obligations of the Debtor or the Reorganized Debtor, as
 14 applicable, in accordance with the terms of the Insurance Contracts, and (iv) insurers and/or
 15 third party administrators to cancel any insurance policies under the Insurance Contracts, and
 16 take other actions relating thereto, to the extent permissible under applicable non-bankruptcy
 17 law, each in accordance with the terms of the Insurance Contracts.

18 The terms set forth above are in full satisfaction of the Proof of Claim filed on behalf of
 19 XL Catlin in the Bankruptcy Case.

20 7. MISCELLANEOUS PROVISIONS

21 7.1 On the Confirmation Date, immediately after the Effective Date Payment is made,
 22 all property of the estate of Debtor shall be re-vested in the Reorganized Debtor, which shall
 23 retain such property free and clear of all liens, claims, encumbrances and interests of the
 24 Creditors. The name of the Reorganized Debtor will be Matheson Flight Extenders, Inc., a
 25 California corporation.

26 7.2 Reorganized Debtor will serve as disbursing agent and shall disburse all property
 27 to be distributed under the Plan. Reorganized Debtor may employ or contract with other entities
 28 to assist in or to perform Distributions and shall serve without bond.

1 **7.3** Confirmation of the Plan constitutes the discharge pursuant to 11 U.S.C. § 1141
 2 of any and all liabilities of the Debtor which are discharged pursuant to the provisions of the
 3 Bankruptcy Code.

4 **7.4** In accordance with Section 1123(b)(3) of the Bankruptcy Code, any and all
 5 Litigation Claims that may exist shall be transferred and assigned to the Reorganized Debtor.

6 **7.5** The estate shall be deemed to be fully administered upon the commencement of
 7 Distribution to Creditors as set forth herein, and a final decree may be entered in accordance with
 8 Fed. R. Bankr. Pro. 3022. In the event of any default by the Reorganized Debtor in performing
 9 any term of this Plan, the Reorganized Debtor will have 60 days after receipt of written notice of
 10 such a default by the holder of an Allowed Claim within which to cure the default.

11 **7.6 Releases**

12 **7.6.1 Releases for All Creditors and Interested Parties Except the Settling**
 13 **Plaintiffs (Moussa Dembele, Mohamed Kaba, Cresencio Sanchez and Ernest Williams).**
 14 From and after the Effective Date, the following releases shall become effective: by and
 15 between the Debtor, on the one hand, and the holders of Claims with the exception of the
 16 Settling Plaintiffs (Moussa Dembele, Mohamed Kaba, Cresencio Sanchez and Ernest Williams),
 17 on the other hand, that to the fullest extent permissible under applicable law, as such law may be
 18 extended or interpreted subsequent to the Effective Date; each such person that has held, holds or
 19 may hold a Claim, whether Allowed, terminated, transferred, or conveyed pursuant to this Plan,
 20 Disallowed or is not entitled to receive any distribution pursuant to this Plan, in consideration for
 21 the obligations of the Reorganized Debtor and other contracts, instruments, releases, agreements
 22 or documents to be delivered in connection with this Plan, shall conclusively, absolutely,
 23 unconditionally, irrevocably and forever, release and discharge the Debtor from any claim or
 24 cause of action existing as of the Effective Date, including but not limited to, any claim or cause
 25 of action, interest, right, or dispute, including but not limited to any claim or cause of action,
 26 interest, right or dispute arising from, based on or relating to, in whole or in part, the subject
 27 matter of or the transactions or events giving rise to the Settlement Agreement and in the act,
 28 omission, occurrence or event in any matter relating to such subject matter, transaction or

1 obligation. This release is intended to be as broad as possible, and shall include the Debtor's
2 officers, directors, managers, attorneys, accountants, agents and employees.

3 **7.6.2 Releases for Settling Plaintiffs, Moussa Dembele, Mohamed Kaba,**
4 **Cresencio Sanchez and Ernest Williams.** As set forth in the Settlement Agreement and
5 Release of All Claim between each of the Settling Plaintiffs, on the one hand, and the Debtor
6 and Trucking, on the other hand (defined therein as the "Matheson Defendants"), the following
7 releases apply as to each of the Settling Plaintiffs: "As a material inducement to the Matheson
8 Defendants to enter into this Agreement Plaintiff, as a free and voluntary act, forever releases,
9 discharges and covenants not to sue MATHESON for any Claims of any kind whatsoever,
10 which may have arisen on or prior to Plaintiff's execution of this Agreement, including but not
11 limited to (1) Claims relating in any way to Plaintiff's employment with MATHESON and/or
12 the employment opportunities that were provided and/or denied to Plaintiff, (2) Claims relating
13 in any way to the separation of Plaintiff's employment with MATHESON, (3) Plaintiff's
14 compensation by MATHESON, and (4) any other matter, cause or thing whatsoever which may
15 have occurred between Plaintiff and MATHESON on or prior to Plaintiff's execution of this
16 agreement."

17 **7.7 Plan Injunction.** From and after the Effective Date and except as provided in this
18 Plan and the Confirmation Order, all entities that have held, currently hold or may hold a Claim
19 or Equity Security Interest in the Debtor that is Allowed, terminated, transferred, or conveyed
20 pursuant to this Plan or Disallowed or is not entitled to receive any distribution pursuant to this
21 Plan, are permanently enjoined from taking any of the following actions on account of any such
22 claim or interest: (i) commencing or continuing in any manner any action or proceeding against
23 the Debtor or the Reorganized Debtor or any of their respective property; (ii) enforcing,
24 attaching, collecting or recovering in any manner any judgment, award, decree or order against
25 the Reorganized Debtor, or their respective property; (iii) creating, perfecting or enforcing any
26 lien or encumbrance against the Reorganized Debtor's property; (iv) asserting a setoff, right of
27 subrogation or recoupment of any kind against any debt, liability or obligation due to the
28 Reorganized Debtor or its property; (v) commencing or continuing any action, in any manner or

1 any place, that does not comply with or is inconsistent with the provisions of this Plan or the
2 Bankruptcy Code.

3 **7.8 Supplemental Injunction Applicable Only to the Class 5 Stipulating**
4 **Judgment Creditors.** In order to preserve and promote the treatment of Creditors
5 contemplated by and provided for in the Plan, except as otherwise expressly provided in the Plan
6 or the Confirmation Order, all persons and any person claiming by or through them, which have
7 held or asserted, which currently hold or assert, or which may hold or assert any Claims or any
8 other causes of action, obligations, suits, judgments, damages, debts, rights, remedies, or
9 liabilities of any nature whatsoever, and all Equity Interests, or other rights of a Holder of an
10 equity security or other ownership interest, against any of the released parties based upon,
11 attributable to, arising out of or relating to any Claim against or Equity Interest in the Debtor,
12 whenever and wherever arising or asserted, whether sounding in tort, contract, warranty or any
13 other theory of law, equity or admiralty, shall be, and shall, as long as the Debtor is performing
14 under its Plan and completes its Plan, be deemed to be, stayed, restrained and enjoined from
15 taking any action against any Trucking for the purpose of directly or indirectly collecting,
16 recovering or receiving any payment or recovery with respect to any such Claims or other causes
17 of action, obligations, suits, judgments, damages, debts, rights remedies or liability, and all
18 Equity Interests or other rights of a holder of an equity security or other ownership interest,
19 arising prior to the Effective Date, including, but not limited to (i) commencing or continuing in
20 any manner any action or other proceeding, (ii) enforcing, attaching, collecting or recovering in
21 any manner any judgment, award, decree or order, (iii) creating, perfecting or enforcing any lien
22 or encumbrance, (iv) asserting a setoff, right of subrogation or recoupment of any kind against
23 any debt, liability or obligation due to any Released Party, and (v) commencing or continuing
24 any action, in any manner, in any place that does not comply with or is inconsistent with the
25 terms of the Plan.

26 **7.9 Exculpation.** Through the Effective Date, the Plan Proponents, and their officers,
27 directors, managers, attorneys, accountants, consultants, agents and employees since the Petition
28 Date, including but not limited to any professionals employed by them pursuant to an order of

1 the Court under Sections 327 and 1103 of the Bankruptcy Code, shall not incur any liability to
 2 the Debtor or any other Creditor, Equity Security Interest or interest holder, and other parties in
 3 interest in the Bankruptcy Case for any act or omission in connection with or arising out of the
 4 Bankruptcy Case, including, without limitation, prosecuting confirmation of this Plan, the
 5 administration of this Estate, the Plan or the property to be distributed under this Plan, except for
 6 gross negligence or willful misconduct, and in all respects, such person will be entitled to rely on
 7 the advice of counsel with respect to their duties and responsibilities with respect to the
 8 Bankruptcy Case and this Plan.

9 **7.10** In the event that any impaired Class entitled to vote is determined to have rejected
 10 this Plan in accordance with Section 1126 of the Bankruptcy Code, the Plan Proponents may
 11 invoke the provisions of Section 1129(b) of the Bankruptcy Code to satisfy the requirements for
 12 confirmation of this Plan. The Plan Proponents reserve the right to modify this Plan to the
 13 extent, if any, that confirmation pursuant to Section 1129(b) of the Bankruptcy Code requires
 14 modification.

15 **7.11** After the Effective Date, the Reorganized Debtor may object to Proofs of Claim.
 16 Any such objections shall be filed and served not later than 90 days after the Effective Date;
 17 provided, however, that such period may be extended by order of the Bankruptcy Court for good
 18 cause shown.

19 **7.12** No Proof of Claim filed after the Bar Date shall be allowed, and all such Claims
 20 are deemed disallowed and forever barred. No Creditor shall be permitted to amend any Proof of
 21 Claim except to decrease the amount owed.

22 **7.13** This Plan shall be binding upon, and inure to the benefit of the Debtor, the
 23 Reorganized Debtor, Creditors, Equity Security Holders and their respective successors and
 24 assigns.

25 **7.14** Except to the extent the Bankruptcy Code or other federal law is applicable or as
 26 provided in any contract, instrument, release or other agreement, the rights, duties and
 27 obligations of Debtor and any other person arising under this Plan shall be governed by and
 28 construed and enforced in accordance with the internal laws of the State of Nevada, without

1 giving effect to Nevada's choice of law provisions.

2 **7.15.** In the event of a Default Under the Plan, the Supplemental Injunction will no
3 longer be of force and effect and the Stipulating Judgment Creditors will be entitled to file the
4 Stipulated Judgment in the Colorado Court against Trucking and to enforce the Stipulated
5 Judgment in accordance with the Settlement Agreement.

6 **8. RETENTION OF JURISDICTION**

7 The Bankruptcy Court shall retain jurisdiction for the following specific purposes:

8 **8.1** For the purpose specified in Section 1142 of the Bankruptcy Code;

9 **8.2** The consideration of Claims and such objections as may be filed to the Claims of
10 Creditors pursuant to Section 502 of the Bankruptcy Code, to decide or resolve any matter over
11 which the Bankruptcy Court has jurisdiction pursuant to Section 505 of the Bankruptcy Code,
12 and to file and prosecute any claims of the estate or counterclaims against such Creditors as may
13 be permitted by law;

14 **8.3** The fixing of compensation for the persons entitled thereto;

15 **8.4** To hear and determine the amount of all encumbrances or the recovery of any
16 preferences, transfers, assets or damages to which the Debtor's estate may be entitled under
17 applicable provisions of the Bankruptcy Code or other federal, state, or local law;

18 **8.5** To resolve any disputes regarding interpretation and enforcement of the Plan and
19 the Settlement Agreement;

20 **8.6** To implement the provisions of the Plan and the Settlement Agreement, including
21 all provisions in the Plan which specify the retention of jurisdiction, and to make such further
22 orders as will aid in consummation of the Plan, including granting declaratory relief, issuing
23 injunctions, and ordering the transfers as set forth in the Plan after the Confirmation Date;

24 **8.7** To adjudicate controversies regarding property of the Debtor's estate and
25 regarding ownership thereof, including adjudication of causes of action which constitute property
26 of the estate;

27 **8.8** To modify this Plan in accordance with Section 1127 of the Bankruptcy Code;

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8.9 To enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases and other agreements or documents created in connection with this Plan, the Settlement Agreement, the Disclosure Statement or the Confirmation Order; and

8.10 To enter a final decree and order closing the case.

9. MODIFICATION OF PLAN

The Plan Proponents may modify the Plan with regard to the treatment of any Creditor class, in connection with any agreement or settlement with such Creditor class or in order to comply with the requirements of the Code as established by the Court, provided such modification does not materially adversely affect any other class of Creditors. Such modifications may be reflected in the order confirming the plan of reorganization. Any other modification of the Plan shall be in accordance with Section 1127 of the Code.

DATED this 23rd day of November, 2015.

DAVIS GRAHAM & STUBBS LLP

/s/ Cecilia Lee, Esq.
CECILIA LEE, ESQ.
ELIZABETH HIGH, ESQ.

HARTMAN & HARTMAN, LTD.

/s/ Jeffrey L. Hartman, Esq.
JEFFREY L. HARTMAN, ESQ.

DOWNEY BRAND LLP

/s/ Sallie B. Armstrong, Esq.
SALLIE B. ARMSTRONG, ESQ.

SCHEDULE A TO PLAN

Matheson Flight Extenders, Inc.
Summary of Executory Contracts
Schedule A to Plan

Subject to approve of the Debtor's Motion to Assume Professional Services Agreement

	Contracting Party	Description of Contract	Cure Amount Due on Confirmation
1	Aviation G.S.E. America 120 Sylvan Avenue Suite 114 Englewood Cliffs, NJ 07632	Personal Property Rental Agreement 36 month rental agreement Beginning date: June 3, 2014 1 - 2014 JBT Tech Commander 30i loader (New).	\$10,813.13
2	Core Transport Technologies LLC 6508 The Landings Dr. Orlando, FL 32812	Debtor is the Customer in Web Services Agreement and Addendum, for use of CORE Scanners and related accessories, to support Debtor's contract obligations with USPS.	\$6,756.95
3	Delta Airlines 1030 Delta Boulevard Atlanta, GA 30354	Airport Services Master Agreement dated November 6, 2014, Contract No. MA-2014-02487 Mail Handling Services Seattle Airport Annex December 1, 2014 to December 31, 2017.	
4	DHL Attn: Christopher Hamilton 9401 Cargo Avenue, Ste. A Austin, TX 78719	Road - Feeder service between Austin and San Antonio, Texas airports, November, 2014 for 36 months.	
5	DHL Express Attn: Shane Clark Sen. Mgr. Of US Airside Operations 336 Wendell H. Ford Blvd. Erlanger, KY 41018	Ground Handling Agreements for Austin, Texas Boeing Field, Seattle, Portland, Oregon Cancellation on 30 days' notice.	

	Contracting Party	Description of Contract	Cure Amount Due on Confirmation
6	Federal Express Corporation 1148 First Avenue North Billings, MT 59101	Contract No. 04-0740-013, Aircraft Ground Handling Agreement, Billings, Montana Originally dated June 3, 2005; current extension expires August 31, 2016.	
7	Federal Transport Attn: Doreen Whetham Po Box 3714 Great Falls, MT 59403	Material Handling Subcontract Great Falls, Montana, airport, month to month.	\$13,452.09
8	Landmark Aviation- Sioux Falls Attn: Jack Browning 3501 Aviation Avenue Sioux Falls, SD 57104-0197	Material Handling Subcontract, Sioux Falls, South Dakota, airport, month to month.	\$39,922.07
9	Matheson Trucking, Inc. 100 Glen Carran Circle Sparks, NV 89431	Professional Services Agreement between Matheson Trucking, Inc. and Matheson Flight Extenders, Inc., dated September 17, 2014.	
10	Non-Mail, Ocean & Rail Surface Transportation CMC United States Postal Service 1200 Mercantile Blvd., Suite 109 Largo, MD 20774-5389	Consolidation Deconsolidation Facility Services Agreement; Contract No. 5BOCRA-12-B-0006 Cincinnati, Ohio; Contract No. 5BOCRA-14-B-0001; Portland, Oregon; Contract No. 5BOCRA-13-B-0005; Seattle, Washington October 1, 2015 to March 14, 2017.	

	Contracting Party	Description of Contract	Cure Amount Due on Confirmation
11	Terminal Handling Air Transportation CMC United States Postal Service 475 L'enfant Plaza, Sw, Room 1P650 Washington, DC 20260-0650	Terminal Handling Services Contract Contract No. 5A-13-A-0009 Albuquerque, New Mexico Billings, Montana Boise, Idaho Charleston, West Virginia Cincinnati, Ohio Denver, Colorado Sioux Falls, South Dakota Spokane, Washington Great Falls, Montana Orlando, Florida Louisville, Kentucky Seattle, Washington Salt Lake City, Utah Tulsa, Oklahoma Tucson, Arizona May 31, 2014 to June 1, 2018, Opt. 2 year Extension, terminable on 60 days' notice by USPS.	
12	Terminal Handling Air Transportation CMC United States Postal Service 475 L'enfant Plaza, SW, Room 1P650 Washington, DC 20260-0650	Terminal Handling Services Contract Contract No. 5A-12-A-0002 Anchorage, Alaska Las Vegas, Nevada Portland, Oregon Phoenix, Arizona Sacramento, California September 1, 2012 to September 4, 2014; optional 2 year ext. September 6, 2014 to September 2, 2016 Terminable on 60 days' notice by USPS.	

	Contracting Party	Description of Contract	Cure Amount Due on Confirmation
13	United Parcel Service Co. 8203 National Turnpike Louisville, KY 40214	(Executory Contract) Transportation and Cargo Handling Services Agreement Billings, Montana Charleston, West Virginia Denver, Colorado Salt Lake City, Utah Originally dated July 22, 2008; current expiration is open ended, cancellation on 30 days' notice.	

Matheson Flight Extenders, Inc.
Summary of Non-Residential Real Property Leases
Schedule A to Plan

	Location	Landlord	Term	Cure Amount Due on Confirmation
1	6200 Boeing Ave., Bldg B-2 Anchorage, AK 99502	Alaska Cargoport, LLC	5/1/2014 - 4/30/2016	
2	301 Eagle Mountain Road Charleston, WV 25311	Central West Virginia Airport Authority	6/1/2014 - 5/31/2018	
3	3720 Spirit Drive SE Albuquerque, NM 87106	City of Albuquerque, Aviation Department	12/11/2014 - 12/11/2018	
4	2425 E. Landstreet Rd. #200 Orlando, FL 32824	DCT Boggy Creek FL LP	6/1/2014 - for 48 months	
5	1400 Air Cargo Road Great Falls, MT 59404	Federal Express Corporation *This is characterized as a License Agreement for Matheson Flight Extenders to use internal space designated by FedEx located on the premises leased by FedEx pursuant to that certain lease agreement dated 11/4/1999 between FedEx and Great Falls International Airport Authority.	5/1/2014 - 4/30/2018	
6	1828 So. Perry Spokane, WA 99203	John Miller	2/5/2015 - 2/28/2020	
7	3650 E. Post Road, Suite D Las Vegas, NV 89120	KTR Capital Partners	5/1/2014 - 10/31/2016	

	Location	Landlord	Term	Cure Amount Due on Confirmation
8	4650 Air Freight Drive, Bays 2-7 Louisville, Kentucky 40209-0129	Louisville Regional Airport Authority	5/1/2015 – 4/30/2016	
9	2191 Overlook Drive Billings, MT 59105	Pierce Leasing	6/2/2014 – 6/1/2015	\$584.64
10	7425 NE Airtrans Way, #100 Portland, OR 97218	Prologis, L.P.	10/1/2014 – 9/30/2016	
11	588 So. Gladiola Street Salt Lake City, UT 84104	Thomas P. Nielson & Assoc. *Sublease from Matheson Postal, Inc. for Salt Lake City Shop	49 months beginning 10/1/2012 – 10/31/2016	
12	2590 So. 156th St Seattle, WA 98168	USPS *as a Sublessor of Sea-Tac Air Cargo Limited Partnership, Lessor, acting by and through its general partner, Transiplex, a Washington Corporation	Initial term: 11/1/2009 – 4/1/2010; with renewal options	
13	Spokane Washington Airport	Spokane Airport Board 3707 S. Godfrey Boulevard, Suite 107 Spokane, WA 9924 *Use Agreement for access to east side area of Airport	Month to month	
14	2600 E. Los Reales Road Tucson, AZ 85706	Tucson Airport Authority	6/1/2014 for 3 years	

	Location	Landlord	Term	Cure Amount Due on Confirmation
15	2161 N. Cargo Road, Bldg. 2 Suite M Tulsa, OK 74115	Tulsa Airports Improvement Trust	6/1/2014 – 5/31/2018	